



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
HILDA L. SOLIS
First District

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Second District

SHEILA KUEHL
Third District

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Fifth District

December 15, 2015


The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

18 December 15, 2015


PATRICK OGAWA
ACTING EXECUTIVE OFFICER

NEW LEASE FIRE DEPARTMENT 5200 IRWINDALE AVENUE, IRWINDALE (FIRST DISTRICT) (3 VOTES)

SUBJECT

An eight-year lease for 5,409 square feet of office space, and 22 on-site parking spaces for use by the Fire Department's Fire Prevention Units consisting of the East Region Administrative Office, and Industry and Petro Chemical Units.

IT IS RECOMMENDED THAT THE BOARD:

1. Consider the Negative Declaration together with the fact that no comments were received during the public review process, find that the project will not have a significant effect on the environment, find that the Negative Declaration reflects the independent judgment of the County of Los Angeles to approve the Negative Declaration, find that the project will have no adverse effect on wildlife resources, and authorize the Chief Executive Officer to complete and file a Certificate of Fee Exemption for the project.
2. Approve and instruct the Chair to sign the lease with Thrifty Oil Co., for the occupancy of approximately 5,409 square feet of office space, and 22 on-site parking spaces at 5200 Irwindale Avenue, Irwindale, for the Fire Department for a maximum first year rental cost of \$220,145. The rental and related costs are funded with District funds.

3. Authorize the Internal Services Department, Thrifty Oil Co., or a County approved vendor, at the direction of the Chief Executive Office, to acquire telephone, data, and low voltage systems at a cost not to exceed \$120,000, which will be paid by the Fire Department via lump sum.
4. Authorize and direct the Chief Executive Officer, the Fire Chief, and the Director of Internal Services to take actions necessary and appropriate to implement the project. The lease will be effective upon approval by the Board of Supervisors, but the term and rent will commence upon completion of the improvements by Thrifty Oil Co., or a County approved vendor, and acceptance by the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The proposed lease for approximately 5,409 square feet of office space, and 22 on-site parking spaces at 5200 Irwindale Avenue, Irwindale, will allow the Fire Department (FIRE) to relocate its existing Fire Prevention Units consisting of the East Region Administrative Office, and Industry and Petro Chemical Units. The relocation results from the existing Landlord needing to sell the building at 15660 East Stafford Street, Industry that currently houses the Fire programs.

The new facility will provide sufficient counter space for plan review and interaction between FIRE inspectors and clients. It will function as a home base for staff as they attend routine inspections throughout their assigned area. The facility will house 12 staff, and serve approximately 15 clients per day, at the counter with visits lasting from 10 minutes to one hour.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services, and the Goal of Community Support and Responsiveness (Goal 2) directs that we enrich lives of Los Angeles County residents by providing enhanced services, and effectively planning and responding to economic, social, and environmental challenges. The proposed new lease supports these goals with a facility that provides proper accommodations for staff to provide quality information and services to residents. The proposed new lease is in conformance with the Asset Management Principles, as outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed new lease will provide FIRE the use of approximately 5,409 square feet of office, and 22 on-site parking spaces at a maximum first year rental cost of \$220,145, which is comprised of the initial annual base rent, the maximum annual reimbursement of the Tenant Improvement (TI) allowance, and change order amounts should the entire amount be expended. Thrifty Oil Co. (Landlord) is responsible for operational and building maintenance costs for the facility.

Sufficient funding for the proposed new lease is included in the Fiscal Year (FY) 2015-16 Rent Expense budget, and will be charged back to FIRE. FIRE has sufficient funding in its FY 2015-16 operating budget to cover the projected lease costs. The lease costs are funded with District funds. Attachment B is an overview of the proposed lease costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease includes the following provisions:

- An eight-year lease term, which commences upon completion of the improvements by the Landlord and acceptance by the County.
- A full-service gross lease whereby the Landlord is responsible for the building operational and maintenance costs for the facility.
- A cancellation provision allowing the County to cancel the lease any time after 60 months of the lease term, with nine month's prior written notice.
- A non-reimbursable TI allowance of \$54,090, or \$10 per square foot.
- A reimbursable TI allowance of \$432,720, or \$80 per square foot, and a change order allowance of \$27,045, or \$5 per square foot, payable in a lump sum, or amortized over the initial five years of the term at an annual interest rate of 8.5 percent.
- Furniture will be purchased through the TI allowance of the lease, or by FIRE through Internal Services Department.
- Rental rate is subject to fixed 3 percent annual rental increases over the term.

The Chief Executive Office (CEO), Real Estate Division staff conducted a survey within the project area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the survey area that could suitably accommodate this requirement. Based upon said survey, staff has established that the base rental range for similar space and terms is between \$24 and \$36 per square foot per year on a full-service gross basis, including parking. Thus, the base annual rental rate of \$20 full-service gross, including parking, for the proposed lease represents a rate below the market range for the area. In addition, the proposed facility is the only viable space for FIRE to house the program within the service area. Attachment C shows County owned or leased facilities in the proximity of the service area, and there are no suitable County-owned or leased facilities available for the program.

The Department of Public Works has inspected the facility and found it seismically suitable for County occupancy. Construction of the TIs will be completed in compliance with relevant building and construction laws and regulations. Notification letters advising of the proposed lease have been sent to the City of Covina pursuant to Government Code Sections 25351 and 65402.

A childcare facility is not feasible at this time for the proposed leased premises. The proposed lease will provide a central and appropriate location for services, which is consistent with the County's facility location policy, as adopted by the Board of Supervisors on July 24, 2012, and further outlined in Attachment D.

ENVIRONMENTAL DOCUMENTATION

The CEO has made an initial study of environmental factors, and has concluded that this project will have no significant impact on the environment and no adverse effect on the wildlife resources. Accordingly, a Negative Declaration has been prepared, and a notice posted at the site as required by the California Environmental Quality Act and the California Administrative Code, Section 15072. Copies of the completed Study, the resulting Negative Declaration, and the Notice of Preparation of Negative Declaration as posted are attached. No comments to the Negative Declaration were received.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed lease will provide the necessary office space, and parking spaces for this County requirement. There will be no negative impact on current County services or projects during the performance of the authorized activities. FIRE concurs with the proposed recommendation.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors return four originals of the executed lease, two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



SACHI A. HAMAI

Chief Executive Officer

SAH:TT:CMM

TS:NCH:MAC:gw

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Fire
Internal Services

FIRE DEPARTMENT
5200 IRWINDALE AVENUE, IRWINDALE
Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? ²		X		
B	Does lease co-locate with other functions to better serve clients? ²				X
C	Does this lease centralize business support functions? ²		X		
D	Does this lease meet the guideline of 200 sq. ft of space per person? ² No, 450 sq. ft. per person due to the program's counter and meeting room space needed to provide services.			X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? ²		X		
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? ²		X		
2.	<u>Capital</u>				
A	Is it a substantial net County cost (NCC) program? The rental costs are 100% funded with District funds.		X		
B	Is this a long term County program?		X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?			X	
D	If no, are there any suitable County-owned facilities available?			X	
E	If yes, why is lease being recommended over occupancy in County-owned space?				X
F	Is Building Description Report attached as Attachment C?		X		
G	Was build-to-suit or capital project considered?			X	
3.	<u>Portfolio Management</u>				
A	Did department utilize CEO Space Request Evaluation (SRE)?		X		
B	Was the space need justified?		X		
C	If a renewal lease, was co-location with other County departments considered?				
D	Why was this program not co-located?				X
	1. ____ The program clientele requires a "stand alone" facility.				
	2. ____ No suitable County occupied properties in project area.				
	3. <u>X</u> No County-owned facilities available for the project.				
	4. ____ Could not get City clearance or approval.				
	5. ____ The Program is being co-located.				
E	Is lease a full service lease? ²		X		
F	Has growth projection been considered in space request?			X	
G	Has the Dept. of Public Works completed seismic review/approval?		X		
	¹ As approved by the Board of Supervisors 11/17/98				
	² If not, why not?				

**FISCAL IMPACT/FINANCING
OVERVIEW OF THE PROPOSED LEASE**

Proposed Lease	5200 Irwindale Avenue, Irwindale
Area (Square Feet)	5,409 rentable square feet
Term (years)	Eight-years, commencing upon Board of Supervisors approval and County's acceptance of the TIs.
Annual Base Rent ⁽¹⁾	\$107,747 (\$19.92 per sq. ft. annually)
Annual TI Reimbursement ⁽²⁾	\$112,397 (\$20.78 per sq. ft.)
Maximum First Year Rental Cost ⁽³⁾	\$220,145 (\$40.70 per sq. ft. annually)
Base TI Allowance (non-reimbursable)	\$54,090 (\$10 per sq. ft.)
Additional TI Allowance	\$432,720 (\$80 per sq. ft.)
Change Order Allowance	\$27,045 (\$5 per sq. ft.)
Cancellation	Any time after the 60 th month upon 9 months prior written notice
Rental adjustment	Fixed 3 percent per annum

(1) Total Lease rate to be \$1.66/sf per month or \$19.92 per annum.

(2) \$220,145 represents the maximum amount of reimbursable TI funds available for this project including the change order allowance. If this entire amount is expended and amortized over 60 months at the proposed rate of 8.5 percent, the annual TI reimbursement will be \$112,397 (\$20.78 per sq. ft. annually).

(3) Includes first year annual base rent, and annual reimbursement of TI allowance, if fully utilized.

**FIRE DEPARTMENT
SPACE SEARCH WITHIN THE EAST SAN GABRIEL VALLEY
15660 EAST STAFFORD STREET, IRWINDALE**

LACO	FACILITY NAME	ADDRESS	OWNERSHIP	GROSS SQFT	NET SQFT	BLDG USE	AVAIL SQFT
A088	PUBLIC LIBRARY- CHARTER OAK LIBRARY	20540 E ARROW HWY, COVINA	LEASED	2,500	2,500	LIBRARY	NONE
A605	DCFS-GLENDORA & REV. ENHANCEMENT	725 S GRAND AVE, GLENDORA	LEASED	109,018	103,567	OFFICE	NONE
A530	DCSS-GLENDORA APS	130 W ROUTE 66, GLENDORA	LEASED	2,070	1,863	OFFICE	NONE
A059	WEST COVINA REGIONAL SERV. BLDG.	2934 E GARVEY AVE, W. COVINA	LEASED	9,883	9,543	OFFICE	NONE
A344	DCFS-COVINA ANNEX	1373 E CENTER CRT DR, COVINA	LEASED	29,525	28,050	OFFICE	NONE
0095	PW ROAD-DIV #518 MAINT.E YARD OFFICE	161 N VALENCIA ST, GLENDORA	OWNED	660	594	OFFICE	NONE
4615	VALLEYDALE-DIRECTOR'S BUILDING	5525 N LARK ELLEN AVE, AZUSA	OWNED	243	193	OFFICE	NONE
A478	SHERIFF-N. REG SURV. & APPREHENSION	2239 E GARVEY AVE N, W. COVINA	LEASED	1,989	1,890	OFFICE	NONE
5673	PUBLIC LIBRARY-SAN DIMAS LIBRARY	145 N WALNUT AVE, SAN DIMAS	OWNED	13,628	11,421	LIBRARY	NONE
F437	PW FLOOD- PUDDINGSTONE OFFICE	150 E PUDDINGSTONE DR, SAN DIMAS	OWNED	240	216	OFFICE	NONE
0111	PW-FLOOD OFF. (FRMR SAN DIMAS SHERIFF)	118 PONY EXPRESS RD, SAN DIMAS	OWNED	660	594	OFFICE	NONE
5941	AG COMM-BONELLI FLD OFF/COMF. STN #3	250 VIA VERDE, SAN DIMAS	OWNED	764	282	OFFICE	NONE
X561	BONELLI-REGIONAL PARK HDQRTRS BLDG.	120 VIA VERDE, SAN DIMAS	OWNED	2,646	1,322	OFFICE	NONE

FACILITY LOCATION POLICY ANALYSIS

Proposed Lease: New eight-year lease for the Fire Department – 5200 Irwindale Avenue, Irwindale – 1st District

A. Establish Service Function Category – Regional and local public service function

B. Determination of the Service Area –The proposed lease will allow the Fire Department (FIRE) to relocate Fire Prevention Units consisting of the East Region Administrative Office, and Industry and Petro Chemical Units.

C. Apply Location Selection Criteria to Service Area Data

- Need for proximity to service area and population: The new office provides convenient accessibility of services to clients in the East San Gabriel Valley.
- Need for proximity to existing County facilities: The new office is strategically situated in the East San Gabriel Valley region.
- Need for proximity to Los Angeles Civic Center: N/A
- Economic Development Potential: N/A
- Proximity to public transportation: The Center is conveniently located near public transportation, i.e., bus service.
- Availability of affordable housing for County employees: N/A
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Department's service needs.
- Compatibility with local land use plans: The proposed use is consistent with the building's use, zoning, and not in conflict with the goals and policies of the City of Irwindale. The Department of Public Works inspected the facility and found it suitable for County occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

- Estimated acquisition/construction and ongoing operational costs: The initial annual base rent of \$107,747, i.e., \$1.66 per square foot per month, plus the maximum amortized cost of the additional tenant improvement allowances of \$459,765, comprises the total annual lease costs for the proposed leased facility under consideration. Sufficient funding for the proposed lease is included in the Fiscal Year (FY) 2015-16 Rent Expense budget and will be charged back to FIRE. FIRE has sufficient funding to cover the proposed lease costs, which are funded with District funds. In addition, telephone, data, and low voltage systems will be installed by Internal Services, Landlord or Landlord's County approved vendor, at a cost not to exceed \$120,000.

D. Analyze results and identify location alternatives

Based upon the space and service needs of FIRE, staff surveyed the immediate area to determine the availability of comparable and more economical sites. The proposed facility is the only viable space within the service area, for FIRE to house the programs.

Based on a survey of the area, staff has determined that the base rental range for similar space and terms is between \$24 and \$36 per square foot per year on a modified-gross basis, including parking. Thus, the base annual rental rate of \$20 full-service gross, including parking, for the proposed lease represents a rate below the market range for the area.

E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria

The facility provides proper accommodations for staff to provide FIRE services in the East San Gabriel Valley region. The proposed lease is in conformance with the Asset Management Principles, as outlined in Attachment A. The consolidation of facilities at the proposed office will provide a central and appropriate location which is consistent with the County's facility location policy, adopted by the Board of Supervisors on July 24, 2012.

DATE POSTED – March 18, 2015

NOTICE OF PREPARATION OF NEGATIVE DECLARATION

This notice is provided as required by the California Environmental quality Act and California Administrative Code Title 14 Division 6, Section 15072 (a) (2) B.

A Negative Declaration has been prepared for this site based on an Initial Study which consists of completion and signing of an Environmental Information Form showing background information as follows:

1. Name of Proponent - County of Los Angeles
Chief Executive Office
2. Address/Phone No. - 222 South Hill Street, 3rd Floor
Los Angeles, California 90012

<u>Agent</u>	<u>Telephone</u>
MiguelCovarrubias	(213) 974-4164

3. Date Information Form Submitted – March 18, 2015
4. Agency Requiring Information Form - Los Angeles County
Chief Executive Office
5. Address of Facility Involved – 5200 Irwindale Avenue, Irwindale, CA
6. Description of Project - The leasing of office space in an existing commercial building to be used by the County of Los Angeles, Fire Department Fire Prevention Units: East Region Administrative Office, Industry Unit and Petro Chemical Unit.
7. Finding for Negative Declaration - It has been determined that this project will not have a significant effect on the environment.

Interested parties may obtain a copy of the Negative Declaration and the completed Environmental Information Form/Initial Study by contacting the Real Property Agent indicated under 2. above and referring to the proposal by name or to the facility by address.

Si necesita informacion en espanol, por favor de comunicarse con el agente designado, para asistencia en obtener una traduccion.

ORIGINAL FILED
MAR 18 2015
LOS ANGELES, COUNTY CLERK

COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE

NEGATIVE DECLARATION

I. Location and Description of the Project

The proposed project is for the County of Los Angeles to lease facilities at 5200 Irwindale Avenue, Irwindale, California, which will be used by the Fire Department's Fire Prevention Units: East Region Administrative Office, Industry Unit and Petro Chemical Unit. The facility is located in the First Supervisorial District approximately 22 miles from the Los Angeles Civic Center, include 5,000 square feet of office space. The Landlord has no expansion plans beyond the scope of this project.

II. Finding of No Significant Effect

Based on the attached initial study, it has been determined that the project will not have a significant effect on the environment.

III. Mitigation Measures

None required.

ORIGINAL FILED

MAR 18 2015

LOS ANGELES, COUNTY CLERK

- Q. No public health or safety hazard or potential public health or safety hazard will be created by this project.
- R. The project will not violate any ambient air quality standard, contribute substantially to an existing or projected air quality violation, or expose sensitive receptors to substantial pollutant concentrations.

V. Discussions of Ways to Mitigate Significant Effects

The proposed project is not expected to create any significant effects on the environment. To mitigate any effects upon the surrounding community the following measures will be implemented:

- A. None Required.

VI. Initial Study Preparation

This study was prepared by Miguel Covarrubias of the Los Angeles County Chief Executive Office, Real Estate Division. This study was completed on March 18, 2015.

NEGATIVE DECLARATION

Department Name: Fire
Project: Fire Prevention Division

Pursuant to Section 15072, California Environmental Quality Act and California Administrative Code Title 14, Division 6

1. **Description of Project**

The leasing of existing office space in an existing commercial building to be used by the County of Los Angeles, Fire Department's Fire Prevention Units: East Region Administrative Office, Industry Unit and Petro Chemical Unit.

2. a. **Location of Project** (plot plan attached)

5200 Irwindale Avenue, Irwindale, CA

b. **Name of Project Proponent**

County of Los Angeles
Chief Executive Office
222 South Hill Street, 3rd Floor
Los Angeles, CA 90012

ORIGINAL FILED

MAR 18 2015

LOS ANGELES COUNTY CLERK

3. **Finding for Negative Declaration**

It has been determined that this project will not have a significant effect on the environment based on information shown in the attached Environmental Information Form dated March 18, 2015 which constitutes the Initial Study of this project.

4. **Initial Study**

An Initial Study leading to this Negative Declaration has been prepared by the Chief Executive Office and is attached hereto.

5. **Mitigation Measures Included in Project**

None required.

Date
March 18, 2015

Real Property Agent
Miguel Covarrubias

Telephone
(213) 974-4164

INITIAL STUDY

I. Location and Description of Project

The proposed leased premises located at 5200 Irwindale Avenue, Irwindale is in the First Supervisorial District approximately 22 mile east of the Los Angeles Civic Center. (See attached map)

The building to be used is owned by Thrifty Oil CO and is intended for use as a Fire Prevention Division office providing services in the East Region. Public parking is located onsite.

This project consists of leasing this facility for 8 years for occupancy by the Fire Department. It is anticipated that an average of 12 employees will be occupying the premises with the maximum employee occupancy anticipated to be 15 per day. In addition to the employees, it is anticipated that an average of 15 members of the public will be visiting daily. No expansion of existing premises will occur for this project and no alterations, except for interior furnishings, will be performed for this project.

II. Compatibility with General Plan

This project site is currently designated as commercial office use in the City of Irwindale and zoned IRM2. The proposed project would be consistent with these designations.

III. Environmental Setting

The project site is located in an area of commercial type facilities. The site includes approximately 56,449 square feet of developed property. The site is located on Irwindale Avenue between Arrow Highway on the south, the 210 freeway on the north, the 605 freeway on the west and Azusa Avenue on the east.

IV. Identification of Environmental Effects

- A. The impact of the proposed project on existing land forms will be negligible as no reshaping of the soil nor excavation nor foundations, utility lines, sewer lines or water lines will be necessary.
- B. The project will not conflict with adopted environmental plans and goals of the City of Irwindale.
- C. The project will not have a substantial demonstrable negative aesthetic effect on the site. The existing facility will be continued to be maintained as part of the lease arrangement.

- D. No rare or endangered species of animal or plant or the habitat of the species will be affected by the project. Nor will it interfere substantially with the movement of any resident fish or wildlife species or migratory fish or wildlife species.
- E. The project will not breach published national, state or local standards relating to solid waste or litter control.
- F. Development will not substantially degrade water quality, contaminate water supply, substantially degrade or deplete ground water resources, or interfere substantially with ground water recharge.
- G. There are no known archeological sites existing at the project site.
- H. The proposed project will not induce substantial growth or concentration of population.
- I. The project will not cause a substantial increase to existing traffic. Nor will it affect the carrying capacity of the present street system. This is a government use of private property for public benefit purposes. The County's use is in conformance with uses approved by the City of Irwindale.
- J. The project will not displace any persons from the site.
- K. The project will not substantially increase the ambient noise levels to adjoining areas. Noise generated by the proposed County use does not exceed that previously experienced in the area when occupied by private tenants.
- L. The proposed developed project will not cause flooding, erosion or siltation.
- M. The project will not expose people or structures to major geologic hazards.
- N. The project will not expend a sewer trunk line. All necessary utilities are available currently to the facility.
- O. No increased energy consumption is anticipated by the County's use of the premises.
- P. The project will not disrupt or divide the physical arrangement of established community; nor will it conflict with established recreational, educational, religious or scientific uses of the area.

3/16/2015

5200 Irwindale Ave - Google Maps

5200 Irwindale Ave, Irwindale, CA 91706

Street View - Search nearby



**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AGREEMENT**

**DEPARTMENT: COUNTY OF LOS ANGELES FIRE DEPARTMENT'S FIRE
PREVENTION UNIT, as Tenant**

LANDLORD: THRIFTY OIL CO.

**5200 Irwindale Avenue
Suite 220
Irwindale, California**

78459

TABLE OF CONTENTS

	<u>Page</u>
1. BASIC LEASE INFORMATION	1
(a) Landlord's Address for Notice:.....	1
(b) Tenant's Address for Notice:	1
(c) Premises:.....	1
(d) Building:.....	1
(e) Term:	2
(f) Projected Commencement Date:.....	2
(g) Commencement Date:	2
(h) Irrevocable Offer Expiration Date:	2
(i) Basic Rent:	2
(j) Early Termination Notice Date:.....	2
(k) Rentable Square Feet in the Premises:	2
(l) Use:	3
(m) Initial Departmental Use:	3
(n) Parking Spaces:	3
(o) Normal Working Hours:.....	3
(p) Asbestos Report:	3
1.2 Defined Terms Relating to Landlord's Work Letter	4
1.3 Exhibits to Lease:.....	4
1.4 Landlord's Work Letter:	4
1.5 Supplemental Lease Documents:	4
2. PREMISES	4
3. COMMON AREAS	4
4. COMMENCEMENT AND EXPIRATION DATES	4
5. RENT	4

6.	USES.....	4
7.	HOLDOVER.....	4
8.	COMPLIANCE WITH LAW	4
9.	DAMAGE OR DESTRUCTION.....	4
10.	REPAIRS AND MAINTENANCE.....	4
11.	SERVICES AND UTILITIES.....	4
	(a) HVAC.....	4
	(b) Electricity	4
	(c) Elevators	4
	(d) Water	4
	(e) Janitorial	4
	(f) Access	4
12.	LANDLORD ACCESS	9
13.	TENANT DEFAULT	4
14.	LANDLORD DEFAULT	4
	(a) Remedies	4
	(b) Waiver	4
	(c) Emergency	4
15.	ASSIGNMENT AND SUBLETTING	4
16.	ALTERATIONS AND ADDITIONS.....	4
17.	CONDEMNATION.....	4
18.	INDEMNIFICATION.....	4
19.	INSURANCE.....	4
20.	PARKING.....	4
21.	ENVIRONMENTAL MATTERS	4
22.	ESTOPPEL CERTIFICATES	4
23.	TENANT IMPROVEMENTS	4

24.	LIENS	4
25.	SUBORDINATION AND MORTGAGES	4
26.	SURRENDER OF POSSESSION	4
27.	SIGNAGE.....	4
28.	QUIET ENJOYMENT.....	4
29.	GENERAL.....	15
30.	AUTHORITY	4
31.	ACKNOWLEDGEMENT BY LANDLORD.....	17
32.	IRREVOCABLE OFFER.....	4
33.	OPTION TO EXTEND.....	18

COUNTY OF LOS ANGELES

CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

THIS LEASE is entered into as of the 15th day of December, 2015 between THRIFTY OIL CO., a California corporation ("Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION. The following terms as used herein shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease.

1.1 Defined Terms Relating to the Lease:

- (a) Landlord's Address for Notice: THRIFTY OIL CO.
13116 Imperial Highway
Santa Fe Springs, California 90670-4817
Attn: Moshe J. Sassover
- (b) Tenant's Address for Notice: Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, California 90012
- With a copy to:
Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 217-4971
- (c) Premises: Approximately 5,409 rentable square feet on the second floor (i.e., Suite 210), within the approximately 42,814 rentable square foot Building (defined below) as shown on Exhibit A attached hereto.
- (d) Building: The approximately 42,814 rentable square foot building located at 5200 Irwindale Avenue, Irwindale (the "Building"), which is located upon the real property described more particularly in Exhibit B attached hereto. Adjacent to the Building is an approximately

78459

- 13,635 rentable square foot one-story building having the address of 5240 Irwindale Avenue, which is also owned by Landlord (collectively the "Two Buildings", and together with the exterior parking areas, driveways, walkways and landscaped areas associated with the Two Buildings, collectively the "Property");
- (e) Term: Eight (8) years, commencing the earlier of April 1, 2016 or four (4) months following the issuance of all Tenant Improvement permits by the City of Irwindale (the "Commencement Date"); and terminating at midnight on the day before the 8th anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Option Term for which an option has been validly exercised.
- (f) Projected Commencement Date: April 1, 2016
- (g) Commencement Date: See Section 1.1(e) and Section 4(a)
- (h) Irrevocable Offer Expiration Date: December 15, 2015
- (i) Basic Rent: \$8,978.94 per month (which is based upon a rental rate of \$1.66 per rentable square foot (adjustable only as provided in Sections 2(b) and 5 hereof.)
- (j) Early Termination Notice Date: At or any time after the 60th month of the initial Term during the initial Term, and any time after the 36th month of the Option Term during each Option Term.
- (k) Rentable Square Feet in the Premises: 5,409
- (l) Use: General office use or for any other lawful purposes not incompatible with other uses in the Building.
- (m) Initial Departmental Use: County of Los Angeles Fire Department's Fire Prevention Unit

- (n) Parking Spaces: Twenty-two (22) unreserved non-exclusive parking spaces, to be shared in common with other tenants of the Two Buildings and their employees and invitees.
- (o) Normal Working Hours: 8:00 a.m. to 6:00 p.m., Monday through Friday and 9:00 a.m. to 1:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.
- (p) Asbestos Report: N/A (Note: The Building was constructed in 1989)

1.2 Defined Terms Relating to Landlord's Work Letter:

- | | |
|--|--|
| (a) <u>Base Tenant Improvement Allowance</u> | \$54,090 (\$10 per RSF) |
| (b) <u>Additional Tenant Improvement Allowance</u> | \$432,720 (\$80 per RSF) |
| (c) <u>Maximum Change Order Allowance</u> | \$27,045 (\$5 per RSF) |
| (d) <u>Additional Tenant Improvement and Change Order Amortization Rate:</u> | 8.5% per annum |
| (e) <u>Basic Rent Reduction</u> | N/A |
| (f) <u>Tenant's Work Letter Representative</u> | Miguel Covarrubias or an assigned staff person of the Chief executive Office-Real Estate Division. |
| (g) <u>Landlord's Work Letter Representative</u> | An assigned representative of the Landlord. |
| (h) <u>Landlord's Address for Work Letter Notice</u> | See Section 1.1(a) |
| (i) <u>Tenant's Address for Workletter Notice</u> | Board of Supervisors
Kenneth Hahn Hall of Administration,
Room 383
500 West Temple Street
Los Angeles, California 90012

With a copy to:
Chief Administrative Office
Real Estate Division
222 South Hill Street, 3 rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 217-4971 |

1.3 Exhibits to Lease:

Exhibit A - Floor Plan of Premises
Exhibit B- Legal Description of Property
Exhibit C - Commencement Date
Memorandum and Confirmation of Lease Terms
Exhibit D – [Intentionally Deleted]
Exhibit E - Cleaning and Maintenance

Schedule
Exhibit F-Tenant Estoppel Certificate
Exhibit G-Subordination, Non-disturbance and
Attornment Agreement
Exhibit H- [Intentionally Deleted]
Exhibit I- Request for Notice
Exhibit J-[Intentionally Deleted]

1.4 Landlord's Work Letter:
(Executed concurrently with this Lease and
made a part hereof by this reference):

Landlord's Work Letter
Addendum A: Base Building Improvements
Addendum B: Tenant Improvements
Addendum C: Memorandum of Tenant
Improvements Costs

1.5 Supplemental Lease
Documents: (Delivered to
Landlord and made a part hereof by this
reference):

Document I: Subordination, Non-disturbance
and Attornment Agreement
Document II: Tenant Estoppel Certificate
Document III: Intentionally Deleted
Document IV: Intentionally Deleted
Document V: Request for Notice

2. PREMISES

(a) Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

(b) Tenant shall have the right within 90 days of approval of this Lease by the Board of Supervisors of the County of Los Angeles ("Board of Supervisors") to field-measure and verify the exact footage of the Premises and/or the Building. All measurements shall be taken in accordance with the methods of measuring rentable/usable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association ("BOMA") International except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, Tenant shall have the right to adjust such square footage and reduce the Basic Rent in Section 1 accomplished by the mutual execution of a memorandum of understanding between the Landlord and the Tenant. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no adjustment made to either the square footage or the Basic Rent in the event the measured square footage exceeds the amount represented by Landlord. Should Landlord and Tenant not agree with respect to the results of the measurement conducted pursuant to this subsection (b) Landlord shall appoint an independent firm or person who is experienced in making such measurements whose determination with respect to which measurement is correct shall be final and binding upon the parties. Landlord and Tenant shall share equally in the fees of such firm.

3. COMMON AREAS. Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date. Within 30 days of determining the Commencement Date, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C. The term "Tenant's Acceptance of the Premises" as used in this Lease shall mean the date upon which the Premises are Substantially Complete, Tenant has inspected the Premises and Tenant has accepted the Premises. The term "Substantially Complete" or "Substantial Completion" as used in this Lease shall mean compliance with all of the following: (1) the shell and core of the Building are complete and in compliance with all applicable laws and codes, and all of the building systems are operational to the extent necessary to service the Premises; (2) Landlord has sufficiently completed all the work required to be performed by Landlord in accordance with this Lease, including the installation of modular furniture systems, if so required (except minor punch list items which Landlord shall thereafter promptly complete), such that Tenant can conduct normal business operations from the Premises; (3) Landlord has obtained a certificate of occupancy for the Building, or a temporary certificate of occupancy for that portion of the Building that includes all of the Premises, or its equivalent (e.g., a final inspection sign-off); and (4) Tenant has been provided with the number of parking privileges and spaces to which it is entitled under this Lease.

(b) Termination Right. If the Premises are not Substantially Complete due to "Landlord Delay" (as such term is defined in Section 6.2 of the Landlord's Work Letter) within 120 days from the Projected Commencement Date, subject further to Tenant Delays or Force Majeure Delays as provided in Landlord's Work Letter, which has been executed concurrently herewith, Tenant may thereafter, at any time before the Premises are Substantially Complete, terminate this Lease effective upon the giving of written notice to Landlord and the parties shall have no further obligations to one another hereunder.

(c) Early Possession. Provided that there is no interference with the progress of Landlord's and its Contractor's work on the Tenant Improvements, Tenant shall be entitled to possession of the Premises not less than 30 days prior to the Commencement Date for the purpose of installing Tenant's furniture, fixtures and equipment in the Premises. Such early occupancy shall be subject to all provisions hereof but shall not advance the Termination Date, and Tenant shall not pay Basic Rent for such early occupancy period.

(d) Early Termination. Tenant shall have the right to terminate this Lease at any time after the Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than nine (9) months prior written notice executed by the Chief Executive Officer of Tenant, and paying to Landlord a termination fee equal to the sum of: (i) the unamortized Base Tenant Improvement Allowance, (ii) any remaining unpaid balance of the Additional Tenant Improvement Allowance, and (iii) unamortized brokerage fees paid by Landlord. The termination fee shall be payable by Tenant to Landlord thirty (30) days following Landlord's receipt of Tenant's notice to terminate. Notwithstanding the foregoing, in the event Tenant terminates this Lease pursuant to this paragraph, Tenant's termination shall be effective only in the event Tenant has not defaulted on any terms of the Lease.

5. RENT. Tenant shall pay Landlord the Basic Rent stated in Section 1 during the Term hereof within 15 days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month, provided that Landlord shall file a payment voucher with the Auditor of the County for the monthly Rent prior to the Commencement Date for the initial month(s) of the Term up to and including December, and annually thereafter in December for the ensuing twelve (12) months. At each annual anniversary of the Commencement Date, the Basic Rent then in effect shall be increased by three percent (3%) per annum on a cumulative compounded basis. Basic Rent for any partial month shall be prorated in proportion to the number of days in such month. Landlord's failure to timely provide a payment voucher to Tenant, or failure to include the aforementioned annual Basic Rent increase, shall not be deemed a waiver by Landlord to thereafter provide Tenant with a retroactive payment voucher or a retroactive Basic Rent increase. Tenant shall pay the Rent to Landlord at Landlord's address set forth in Section 1(a), or such other location as Landlord may designate from time to time, via check or warrant; provided, however, that notwithstanding the foregoing or any other provision in this Lease to the contrary, beginning three (3) months following the date that Landlord completes and provides to Tenant Tenant's required documents and forms needed to establish Tenant's wire transfer payment process, and continuing thereafter, Tenant's payments under this Lease shall be made only via federal funds wire transfer to an account designated by Landlord from time to time or, at Tenant's option, by bank cashier's check or bank certified check (but payment may not be made by a non-bank cashier's or a non-bank certified check). Landlord and Tenant shall cooperate with each other to process/setup any required documents and forms needed to establish such wire transfer process.

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use. Tenant shall be solely responsible for any costs associated with any change in use resulting from said use.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a tenancy which is terminable only upon 30 days written notice from Landlord or 30 days written notice from the Chief Executive Officer of Tenant, at the last monthly Basic Rent payable under this Lease, plus

all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the Term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Building to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding on Landlord during the term hereof, including without limitation, Titles II and III of the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

9. DAMAGE OR DESTRUCTION.

(a) Damage. In the event any portion of the Premises is damaged by fire or any other cause covered by Landlord's insurance maintained pursuant to Section 19(a)(1) below rendering the Premises totally or partially inaccessible or unusable and the Premises (excluding any fixtures or improvements not covered by Landlord's insurance) may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 270 days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but in any event within 15 days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a material default hereunder. Basic Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

(b) Tenant Termination Right. In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 270 days for any reason, then Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Basic Rent shall be abated from the date the Premises became untenable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, to the extent the damage is covered by Landlord's insurance maintained pursuant to Section 19(a)(1) below.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction (i.e., destruction costing more than three (3) times the then monthly Basic Rent to repair or restore) to the Premises occurs during the last year of the Term, either Landlord

or Tenant may terminate this Lease by giving notice to the other not more than 30 days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date which is 30 days after such written notice of termination.

(d) Default By Landlord. If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may (a) declare a default hereunder, or (b) perform or cause to be performed the restoration work and bill Landlord for the cost thereof.

10. REPAIRS AND MAINTENANCE.

(a) Landlord Representations. Landlord represents to Tenant that (i) the Premises, the Building and all Common Areas, (including electrical, heating, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all applicable laws, codes, and ordinances, including use the Americans With Disabilities Act (but without regard to Tenant's specific use of the Premises); and are in reasonable good working order and condition; (ii) the Building and Premises comply with all applicable covenants, conditions, restrictions and underwriter's requirements; (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials (as hereinafter defined); and (iv) Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation. Landlord represents, based upon a professional inspection of the Premises and the Building, that the Premises and the Building contain no asbestos containing materials.

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior walls, roof, collapsed or broken concealed plumbing, exterior stairways, electrical systems from exterior to transformers and to and including all electrical panels and telephone wires from the street to the Building's MPOE ("minimum point of entry"); (ii) the HVAC units serving the Premises as of the date of Substantial Completion of the Premises, except: (a) unless Tenant causes such HVAC or the Premises to be modified in any way, in which event any HVAC maintenance, repairs or replacements will be performed at Tenant's expense, and (b) any supplemental HVAC units serving the Premises and installed by or on behalf of Tenant shall be maintained, repaired and replaced by Tenant at Tenant's expense; and (iii) exterior windows of the Building; and (iv) elevators serving the Building.

(c) Tenant Obligations. Without limiting Landlord's obligations set forth in Section 10(b) above, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees or visitors and the repair of low voltage electronic, telephone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. Tenant, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Tenant's repair obligations include,

without limitation, repairs to: (1) the floor covering (if such floor covering is carpeting it shall be replaced as needed); (2) interior partitions; (3) doors; (4) all non-structural walls (which shall be repainted as needed); (5) electrical from exterior of electrical panel to wall outlets and lights; (6) any plumbing blockage and exposed interior plumbing and fire/life safety systems serving the Building; and (7) signage. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Landlord, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) Right to Repair. If Tenant or Landlord provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to the other party of an event or circumstance which requires the action of the other party with respect to repair and/or maintenance, and the other party fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than five days after the giving of such notice, then the other party may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant and Landlord shall have access to the Premises to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by either party and was not taken by such party within such period (unless such notice was not required as provided above), and the other party took such required action, then the party which took such action shall be entitled to prompt reimbursement by the other party of the other party's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by the other party within thirty (30) days, the party that took the action shall be entitled to the remedies provided in Sections 13 and 14.

(e) Notwithstanding any provisions of this Lease to the contrary, Tenant at its sole option, acting through the CEO, may request from Landlord, without any obligation on the part of the Landlord to comply with said request, to perform, repair, maintenance, janitorial and or tenant improvement work. Tenant shall pay as additional rent any such work that is performed by Landlord at his sole discretion. Any Landlord charges to tenant for administrative costs associated with such work shall not exceed three and one-half percent (3.5%) of the costs actually incurred by the Landlord in performance or contracting out such work.

11. SERVICES AND UTILITIES.

Landlord shall furnish the following services and utilities to the Premises:

(a) Heating, Ventilation and Air Conditioning. Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to similar buildings. Landlord's charges for HVAC during hours other than Normal

Working Hours are presently \$55 per hour, and are subject to reasonable increase by Landlord from time to time.

(b) Electricity. Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than a standard comparable to similar buildings, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or subpanels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

(c) Elevators. Landlord shall furnish passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis.

(d) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(e) Janitorial. Landlord shall provide janitorial service on five weekday nights per week (excluding holidays as are generally recognized by the County of Los Angeles) generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto.

(f) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hour per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or Premises, Basic Rent shall be prorated based upon the percentage of the Premises or Building rendered untenable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

13. TENANT DEFAULT.

(a) Default. The occurrence of any one or more of the following events (a "Tenant Default") shall constitute a material default and breach of this Lease by Tenant:

(i) The failure by Tenant to make any payment of Basic Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten days after written notice to Tenant;

(ii) The failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 30 days after written notice from Landlord specifying in detail the nature of the Tenant Default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law, including the remedy described in California Civil Code Section 1951.4 (lessor may continue the lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations).

(c) No Effect on Indemnity. Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

14. LANDLORD DEFAULT.

(a) Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(d), 19 and 20(b), Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within thirty (30) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 10(d)) ; provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such thirty (30) day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies: (i) to remedy such default or breach; (ii) to pursue the remedy of specific performance; or (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable

opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

(d) Limitation on Landlord Liability. Notwithstanding anything in this Lease to the contrary, the liability of Landlord (including any successor landlord) and any recourse by Tenant against Landlord shall be limited solely and exclusively to the interest of Landlord in the Building, and neither Landlord nor any officer, director, shareholder or employee of Landlord Parties shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant.

15. ASSIGNMENT AND SUBLETTING. Tenant may assign or otherwise transfer this Lease or sublet the whole or any part of the Premises subject to Landlord's prior consent, which shall not be unreasonably withheld, conditioned or delayed, provided, however, that no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease. Notwithstanding the above, Landlord's consent shall not be required for an assignment of the Lease or subletting of the Premises by Tenant to a subsidiary, affiliate, parent or successor of Tenant, and in the event of such assignment or sublease, Landlord shall have no right of recapture. Tenant and Landlord shall evenly divide any subleasing profits. Further notwithstanding the foregoing, Tenant shall not have the right to assign this Lease or sublet any portion of the Premises for use by its Probation Department AB109 Program or to a user who would utilize any portion of the Premises for visits by parolees or offenders who committed serious, violent or sexual crimes, i.e., for visits by parolees not classified as "low-level offenders".

16. ALTERATIONS AND ADDITIONS.

(a) Landlord Consent. Tenant shall not make any alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") that are structural in nature without first obtaining the written consent of Landlord, to be given or withheld in Landlord's sole discretion. However, Landlord's consent shall not be required for any non-structural Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not affect the systems or structure of the Building; and (4) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building.

(b) End of Term. Any Alterations not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

17. CONDEMNATION.

(a) Controlling Terms. If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation"

shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within 30 days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than 30 days nor later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated.

(d) Restoration. Notwithstanding the preceding paragraph, if, within 30 days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within 90 days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Basic Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

(e) Award. The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

(f) Waiver of Statute. Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

18. INDEMNIFICATION.

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Tenant or its employees, officers, contractors, licensees, agents, guests, visitors or invitees, or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this Lease shall be construed to waive, limit, or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to section 3864 of the Labor Code.

(b) Landlord's Indemnity. Subject to the provisions of Section 14(d) above, Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, agents or employees, or arising from any breach or default under this Lease by Landlord. However, the indemnification obligations of Landlord under this paragraph shall not apply or extend to any injury to or interference with Tenant's business or to Tenant's consequential damages, and shall also be subject to the provisions of Section 14(d) above. Further, Landlord's liability under this Section 18(b) for damage to Tenant's furniture, fixtures, equipment and personal property in the Premises shall be limited to an aggregate of \$2,500,000 per occurrence. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its officers, contractors, licensees, agents, employees or invitees.

19. INSURANCE.

(a) Landlord's Insurance. During the Term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage; and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Insurance proceeds shall be payable to Landlord and be utilized for repair and restoration of the Premises, unless this Lease has been terminated.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following: (1) per occurrence and general aggregate amount of \$10,000,000; (2) products/completed operations aggregate of \$10,000,000; and (3) personal and advertising injury of \$5,000,000.

(iii) Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

(b) Insurance Requirements. All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "A:VII" or better and which are qualified to do business in the State of California.

(c) Certificates. Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least 15 days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified above. Certificates shall include the address of the Premises and must document that each party has named the other as an additional insured (or its equivalent) on its general liability and property insurance policy, and that Tenant has been named a loss payee on Landlord's commercial property insurance policy, to the extent of Tenant's ownership interest in any tenant improvements in the Premises paid for by Tenant, as required. Further, all certificates shall expressly provide that no less than 30 days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(d) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder or, in the case of Tenant, would have been covered but for an election to self-insure. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

(e) Tenant Right to Self-Fund. Tenant (i.e., the County of Los Angeles) is permitted by the California Government Code Sections 989-991.2, County Code Chapter 5.32 and Articles 1 and 2 of the County Charter to self-fund its liabilities and acts and or omissions of the County, its elected and appointed officers, employees, agents and volunteers; and Tenant, by virtue of such authorized laws, hereby elects to self-fund its liabilities arising from acts and or omissions of its officers, employees, agents and volunteers arising from or connected with this Lease of the Premises. Tenant shall provide to Landlord a duly signed and authorized certificate of County self-funding of its insurance obligation with limits as required herein.

(f) Tenant Election Not to Self-Fund. Should Tenant ever elect not to continue to self-fund its liabilities under this Lease as provided in Section 19(e) above, then the following provisions shall immediately become operative:

(1) Tenant's General Insurance Requirements. All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and qualified to do business in the State of California. Each policy shall name Landlord and, at Landlord's request, any lender holding an encumbrance against Landlord's interest in the Building or any part thereof as an additional insured, as their respective interests may appear. A certificate of insurance evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of

possession of the Premises and thereafter within thirty (30) days after any demand by Landlord. Landlord may, at any time and from time to time, inspect and copy any insurance policies required to be maintained by Tenant hereunder. No such policy shall be cancelable except after twenty (20) days' written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of each such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that, if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure such insurance on Tenant's behalf and charge Tenant the premiums therefor, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies obtained by Tenant, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's lender, and Tenant as required by this Lease. Certificates evidencing coverage will be provided to Landlord after execution of this Lease at Landlord's request.

(2) Personal Property Insurance. At all times during the Term following Tenant's election not to self-fund its liabilities under this Lease, Tenant shall procure and maintain, at its sole expense, "all-risk" property insurance, for damage or other loss caused by fire or other casualty or cause including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting of pipes, explosion, in an amount not less than one hundred percent (100%) of the replacement cost covering (a) all Alterations made by or for Tenant in the Premises; and (b) Tenant's trade fixtures, equipment and other personal property from time to time situated in the Premises (including without limitation any modular furniture systems in the Premises). The proceeds of such insurance shall be used for the repair or replacement of the property so insured, except that if not so applied or if this Lease is terminated following a casualty, the proceeds applicable to the leasehold improvements shall be paid to Landlord and the proceeds applicable to Tenant's personal property shall be paid to Tenant.

(3) Liability Insurance. At all times during the Term following Tenant's election not to self-fund its liabilities under this Lease, Tenant shall procure and maintain, at Tenant's sole cost and expense, commercial general liability insurance applying to the use and occupancy of the Premises and the business operated by Tenant. Such insurance shall have a minimum combined single limit of liability of at least One Million Dollars (\$1,000,000) per occurrence and a general aggregate limit of at least Two Million Dollars (\$2,000,000). All such policies shall be written to apply to all bodily injury, property damage, personal injury losses and shall be endorsed to include Landlord and its agents, beneficiaries, partners, employees, and any deed of trust holder or mortgagee of Landlord or any ground lessor as additional insureds. Such liability insurance shall be written as primary policies, not excess or contributing with or secondary to any other insurance as may be available to the additional insureds.

(4) Workers' Compensation. At all times during the Term following Tenant's election not to self-fund its liabilities under this Lease, Tenant shall procure and maintain, at Tenant's sole cost and expense, workers compensation insurance in accordance with the laws of the State of California.

20. PARKING.

(a) Tenant's Rights. Tenant shall have the right to the number of non-exclusive unreserved parking stalls set forth in Section 1 without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building, except that Tenant shall not permit its employees, agents and contractors to over-burden the Property's parking facilities by utilizing more than twenty-two (22) parking spaces at any given time.

(b) Remedies. Landlord acknowledges that it is a material term of this Lease that Tenant receive all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the Parking Spaces required above are not available to Tenant (in addition to the rights given to Tenant under Sections 9 and 17 in the event of casualty or condemnation), such shall constitute a material default by Landlord under Section 14 of this Lease.

21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines,

permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials that either exist at the Premises, Building or Common Areas as of the date hereof, or that were caused by Landlord or Landlord's employees, officers, agents or contractors. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

(c) Tenant Indemnity. Tenant shall indemnify, defend and hold Landlord, Landlord's agents, employees, lenders and ground landlord, if any, harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Substance brought onto the Premises by or for Tenant, or Tenant's employees, officers, agents, contractors, licensees, customers, invitees, visitors, guests, assignees or subtenants (provided, however, that Tenant shall have no liability under this Lease with respect to underground migration of any Hazardous Substance under the Premises from areas outside the Premises). Tenant's obligation shall include, but not be limited to, the effects of any contamination or injury to person, property, or the environment created or suffered by Tenant, and the cost of investigation, removal, remediation, restoration, and/or abatement, and shall survive the expiration or termination of this Lease. No termination, cancellation or release agreement entered into by Landlord and Tenant shall release Tenant from Tenant's obligation under this Lease with respect to Hazardous Substances, unless specifically so agreed by Landlord in writing at the time of such agreement.

22. ESTOPPEL CERTIFICATES. Tenant shall, within 30 days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit F attached hereto but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. TENANT IMPROVEMENTS. As soon as reasonably possible, Landlord shall construct the Tenant Improvements in the manner set forth in the Landlord's Work Letter executed by Landlord and Tenant concurrently herewith.

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant and hereby indemnifies and holds Landlord harmless from any liability or loss arising from any such lien. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

25. SUBORDINATION AND MORTGAGES

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Exhibit G and provided further that no such subordination shall affect any option to extend the Term of this Lease.

(b) No Existing Deeds of Trust. Landlord represents to Tenant that there are no existing deeds of trust affecting the Building as of the date hereof.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice with respect to any mortgages or deeds of trust affecting the Property in the form of Document V in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten (10) days beyond the expiration of Landlord's cure period within which to cure such default.

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant, at Landlord's option, shall be required to remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

27. SIGNAGE. Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances and Landlord's standard Building signage criteria. Further, all Tenant signage shall be subject to Landlord's

prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed.

28. QUIET ENJOYMENT. So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

29. GENERAL

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than Landlord's broker NAI Capital Commercial Real Estate Services (who shall be paid a real estate commission by Landlord pursuant to the terms of a separate agreement between Landlord and said broker), and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person (other than the claims of NAI Capital Commercial Real Estate Services, who shall be paid by Landlord) on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

(d) Entire Agreement. This Lease (and the Landlord's Work Letter and Supplemental Lease Documents) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by both Landlord and Tenant.

(e) Severability. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information.

(k) Community Business Enterprises. (Intentionally Deleted)

(l) Memorandum of Lease. (Intentionally Deleted)

(m) ADA Inspection Disclosure. In accordance with California Civil Code Section 1938, Landlord hereby discloses to Tenant, and Tenant acknowledges, that the Premises and Building and Property have not undergone an inspection by a California "Certified Access Specialist" as of the date hereof.

(n) Energy Usage Disclosures. Within thirty (30) days after Landlord's request from time to time, Tenant shall provide to Landlord copies of Tenant's electricity bills from the electrical utility company serving the Premises and/or, at Landlord's option, authorize the electrical utility company serving the Premises to release Tenant's electrical usage consumption data to Landlord, to allow Landlord to see the quantity of electricity consumed in the Premises, and Tenant consents to Landlord's disclosure to third parties of such electricity consumption data as may be required of Landlord under applicable California law.

30. **AUTHORITY**. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegate (the "Chief Executive Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Basic Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the

manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. ACKNOWLEDGMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

(a) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the Lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline. Failure to report such solicitation may result in the landlord's submission being eliminated from consideration.

(b) Landlord Assignment.

Tenant hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing (including without limitation financing provided by banks, life insurance companies and other financial institutions). However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Basic Rent or any other monies due Landlord by Tenant under this Lease directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

(i) Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

(ii) Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the

offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County.

(iii) Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(iv) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Basic Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(v) Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vi) The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. IRREVOCABLE OFFER. In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

33. OPTIONS TO EXTEND.

(a) Terms of Options. Provided that no material default has occurred and is continuing under the Lease at the time the option is exercised, Tenant shall have two options to renew this Lease for one additional period of five years per option (each an "Option Term").

(b) Exercise of Option. Tenant must exercise its option to extend this Lease, if it elects to do so, by giving Landlord written notice of its intent to do so by Chief Executive Office letter no later than nine (9) months prior to, and no earlier than twelve (12) months prior to, the end of the initial Term or first Option Term, as the case may be.

(c) Terms and Conditions of Option Term. The Option Term shall be on all the terms and conditions of this Lease, except that Basic Rent for each Option Term shall be the rate in effect during the last year of the original Lease Term (or first Option Term, as the case may be), increased to fair market value for comparable office space in comparable buildings in the Irwindale area by negotiation and mutual agreement of the parties, but not less than the current rent being paid in the last month of the original Term (or first Option Term, as the case may be) in place under the Lease. If Landlord and Tenant are unable to agree, in their respective sole discretion, on the Basic Rent to be paid by Tenant for the Premises during the upcoming Option Term within thirty (30) days following Tenant's exercise of an option, then unless the parties otherwise agree in writing, Tenant's option exercise shall be void and of no further force or effect, and Tenant may not thereafter exercise any remaining option, and the then initial Term (or first Option Term, as the case may be) shall expire on its scheduled expiration date.

[SIGNATURE PAGE FOLLOWS >>>>>]

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

THRIFTY OIL CO.,
a California corporation

By: [Signature]
Name: Barry W. Berkett
Its: Executive Vice President

By: [Signature]
Name: Moshe J. Sassover
Its: Senior Vice President

TENANT:

COUNTY OF LOS ANGELES
a body politic and corporate

By: Hilda L. Solis
HILDA L. SOLIS
Chair, Board of Supervisors

ATTEST:

Patrick Ogawa
Executive Officer-Clerk
of the Board of Supervisors

By: Lachelle Smithman
Deputy

APPROVED AS TO FORM:

Mary C. Wickham
County Counsel

By: [Signature]
Deputy



I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By: Lachelle Smithman
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

' 18

DEC 15 2015

Patrick Ogawa
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

78459

EXHIBIT "A"
Floor Plan of Premises

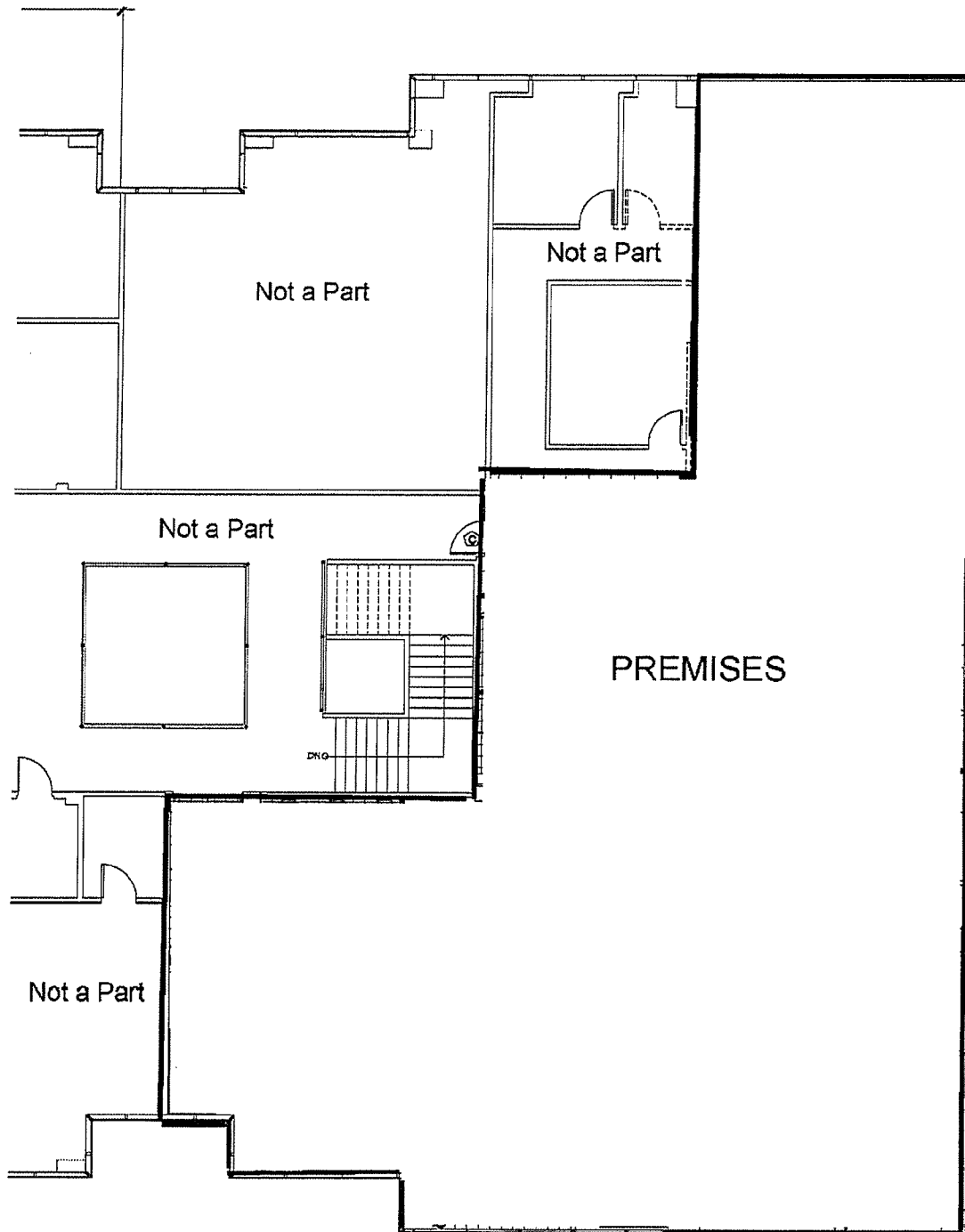


EXHIBIT B

LEGAL DESCRIPTION OF PROPERTY

PARCEL A:

PARCEL 2 IN THE CITY OF IRWINDALE, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON PARCEL MAP NO. 17390, FILED IN BOOK 183 PAGES 98 AND 99 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL B:

EASEMENTS FOR DRAINAGE AND DRIVEWAY PURPOSES AS MORE PARTICULARLY DESCRIBED AND SET FORTH IN THAT CERTAIN DECLARATION OF ESTABLISHMENT OF EASEMENTS DATED NOVEMBER 25, 1986 EXECUTED BY BIRTCHER CAMPBELL RELIANCE, LTD., A CALIFORNIA PARTNERSHIP, UPON THE TERMS, COVENANTS AND CONDITIONS CONTAINED THEREIN, AND RECORDED DECEMBER 19, 1986 AS INSTRUMENT NO. 86-1772554 OFFICIAL RECORDS.

EXHIBIT C

COMMENCEMENT DATE MEMORANDUM
AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated _____, 20__, between County of Los Angeles, a body politic and corporate ("Tenant"), and _____, a _____ ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises in the building located at _____ ("Premises"),

Landlord and Tenant hereby acknowledge as follows:

(1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on _____ ("Possession Date");

(2) Tenant has accepted possession of the Premises and now occupies the same;

(3) The Lease commenced on _____ ("Commencement Date");

(4) The Premises contain approximately _____ rentable square feet of space; and

(5) Basic Rent per Month is presently \$_____.

IN WITNESS WHEREOF, this Memorandum is executed this ____ day of _____, 20__.

"Tenant"	"Landlord"
COUNTY OF LOS ANGELES, a body politic and corporate	_____, a _____
By: _____ Name: _____ Its: _____	By: _____ Name: _____ Its: _____

EXHIBIT D

[INTENTIONALLY DELETED]

EXHIBIT E
CLEANING AND MAINTENANCE SCHEDULE

1. DAILY (Monday through Friday)
 - A. Carpets vacuumed.
 - B. Composition floors dust-mopped.
 - C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
 - D. Waste baskets, other trash receptacles emptied.
 - E. Chairs and waste baskets returned to proper position.
 - F. Fingerprints removed from glass doors and partitions.
 - G. Drinking fountains cleaned, sanitized and polished.
 - H. Common Area lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished. Tenant at Tenant's expense shall be responsible for providing janitorial services and toilet supplies to restrooms exclusively serving the Premises.
 - I. Bulb and tube replacements, as required.
 - J. Graffiti expunged as needed within two (2) working days after notice by Tenant.
 - K. Floors washed as needed.
2. WEEKLY
 - A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
 - B. Window sills, ledges and wood paneling and molding dusted.
3. MONTHLY
 - A. Floors washed and waxed in uncarpeted office area.
 - B. High-reach areas, door frames and tops of partitions dusted.
 - C. Upholstered furniture vacuumed, plastic and leather furniture wiped.
 - D. Picture moldings and frames dusted.
 - E. Wall vents and ceiling vents vacuumed.
 - F. Carpet professionally spot cleaned as required to remove stains.
4. QUARTERLY
 - A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
 - B. Wood furniture polished.
 - C. Draperies or mini-blinds cleaned as required, but not less frequently than Quarterly.
 - D. HVAC units existing as of the Substantial Completion date serviced for preventative maintenance purposes, all filters changed.
5. SEMI-ANNUALLY
 - A. All painted wall and door surfaces washed and stains removed.
 - B. All walls treated with vinyl covering washed and stains removed.
6. ANNUALLY

A. Common area bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant. Tenant at Tenant's expense shall be responsible for providing janitorial services to restrooms exclusively serving the Premises.

B. Windows washed as required inside and outside.

7. AS NEEDED

A. The sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.

B. All lawns, shrubbery and foliage on the grounds of the Building should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.

C. Carpets in Common Areas to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning: (i) heavy traffic areas as needed with a minimum frequency of semi-annually (two (2) times per year); (ii) moderate traffic areas cleaned as needed with a minimum of once every six (6) months (two (2) times per year); and (iii) clean light traffic areas a minimum of once per year. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

8. GENERAL

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

EXHIBIT F

TENANT ESTOPPEL CERTIFICATE

To: _____

Attn: _____

Re: Date of Certificate: _____
 Lease Dated: _____
 Current Landlord: _____
 Located at: _____
 Premises: _____
 Commencement Date of Term: _____
 Expiration Date: _____
 Current Basic Rent: _____
 Basic Rent has been paid through: _____

County of Los Angeles ("Tenant") hereby certifies that as of the date hereof:

1. Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.
2. (a) A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.
 (b) The current monthly Basic Rent is set forth above, and the current monthly installment of Tenant's Additional Tenant Improvement Allowance repayment obligation is \$_____, and the unpaid principal balance of the Additional Tenant Improvement Allowance is \$_____.
 (c) The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any presently exercised option or renewal term. Except as specified in the Lease, Tenant has no option or right to renew, extend or cancel the Lease.
 (d) Except as specified in the Lease, Tenant has no option or right to lease additional space in the Premises or Building or to use any parking.
 (e) Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).
 (f) Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession, except as expressly set forth in the Lease.
3. (a) The Lease constitutes the entire agreement between Tenant and Landlord with respect to the Premises, has not been modified, changed, altered or amended and is in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

EXHIBIT G

SUBORDINATION, NON-DISTURBANCE

AND ATTORNMENT AGREEMENT

AND WHEN RECORDED MAIL TO:

County of Los Angeles
CHIEF EXECUTIVE OFFICE
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012

)
)
)
)
)
)

Space above for Recorder's Use

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This Subordination, Non-Disturbance and Attornment Agreement ("Agreement") is entered into as of the _____ day of _____, 20__ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), _____ ("Borrower") and _____, ("Lender").

Factual Background

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" herein means that real property together with all improvements (the "Improvements") located on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as "Landlord") entered into a lease dated _____ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements located within the Property and more particularly described in the Lease (the "Premises").

D. Tenant is willing to agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant is willing to agree to such subordination and attornment and other conditions, provided that Lender agrees to a Non-Disturbance provision, all as set forth more fully below.

Agreement

Therefore, the parties agree as follows:

1. Subordination. The Lease shall be subject and subordinate to the lien of the Deed of Trust and to any renewals, modifications, consolidations, replacements and extensions of the Deed of Trust to the full extent of the principal sum secured by the Deed of Trust including any interest except that if Tenant is granted any option to extend the term of the Lease, right of first offer to lease additional premises, option to purchase the Property, or right of first option to purchase the Property in the Lease such provisions shall not be affected or diminished by this subordination which is conditioned upon the agreement of Borrower and Lender in section 3 hereof.

2. Definitions of "Transfer of the Property" and "Purchaser". As used herein, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding for the enforcement of the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used herein, means any transferee, including Lender, of the interest of Borrower as a result of any such Transfer of the Property and also includes any and all successors and assigns, including Lender, of such transferee.

3. Non-Disturbance. The Transfer of the Property or any enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created thereby, or deprive Tenant of any other property rights granted in the Lease.

4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and hereby does attorn to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option contained in the Lease, all with the same force and effect as if Purchaser had been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not actually delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

6. Notices. All notices given under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is

refused). Addresses for notices may be changed by any party by notice to all other parties in accordance with this Section.

To Lender: _____

To Borrower: _____

To Tenant: County of Los Angeles
Chief Executive Office
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

8. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute but one and the same instrument.

TENANT: COUNTY OF LOS
ANGELES,
a body politic and corporate

APPROVED AS TO FORM

Mary C. Wickham
Interim County Counsel

By: _____
Deputy

By: _____
Director of Real Estate

BORROWER:

By: _____
Name: _____
Title: _____

LENDER: *[Insert name of Lender]*,
By: _____

EXHIBIT J

[INTENTIONALLY DELETED]

LANDLORD'S WORK LETTER

For

**COUNTY OF LOS ANGELES
CHIEF EXECUTIVE OFFICE
LEASE AND AGREEMENT**

**DEPARTMENT: L.A. COUNTY FIRE DEPARTMENT'S FIRE PREVENTION
UNIT, as Tenant**

LANDLORD: THRIFTY OIL CO.

**5200 Irwindale Avenue
Suite 210
Irwindale, California**

LANDLORD'S WORK LETTER

This Work Letter supplements the Lease (the "Lease") dated _____, 2015, executed concurrently herewith, by and between THRIFTY OIL CO., a California corporation ("Landlord"), as Landlord, and COUNTY OF LOS ANGELES ("Tenant" or "County") as Tenant, covering certain Premises described in the Lease. Terms capitalized but not otherwise defined herein shall have the meanings ascribed to them in the Lease.

The parties hereby agree as follows:

1. Basic Work Letter Information. The following terms as used herein shall have the meanings provided in this Section unless otherwise specifically modified by provisions of this Work Letter.

- | | |
|--|---|
| (a) <u>Base Tenant Improvement Allowance:</u> | \$54,090 (i.e., \$10 per rentable square foot of the Premises) |
| (b) <u>Additional Tenant Improvement Allowance:</u> | \$432,720 (i.e., \$80 per rentable square foot of the Premises) |
| (c) <u>Maximum Change Order Allowance:</u> | \$27,045 (i.e., \$5 per rentable square foot of the Premises) |
| (d) <u>Additional Tenant Improvement and Change Order Amortization Rate:</u> | 8.5% per annum |
| (e) <u>Basic Rent Reduction per \$1,000:</u> | N/A |
| (f) <u>Tenant's Work Letter Representative:</u> | Miguel Covarrubias or an assigned staff person of the Chief Executive Office-Real Estate Division |
| (g) <u>Landlord's Work Letter Representative:</u> | An assigned representative of the Landlord |
| (h) <u>Landlord's Address for Work Letter Notice:</u> | THRIFTY OIL CO.
13116 Imperial Highway
Santa Fe Springs, California 90670-4817 |
| (i) <u>Tenant's Address for Work Letter Notice:</u> | Board of Supervisors
Kenneth Hahn Hall of Administration
Room 383
500 West Temple Street |

Los Angeles, California 90012
With a copy to:
Chief Executive Office-
Real Estate Division
222 South Hill Street, 3rd Floor
Los Angeles, California 90012
Attention: Director of Real Estate
Fax Number: (213) 217-4971

(j) Addenda:

Addendum A: Base Building Improvements
Addendum B: Tenant Improvements
Addendum C: Tenant's Space Plan

2. Construction of the Building.

2.1 Base Building Improvements. Landlord has constructed or shall construct the base Building improvements as a part of the Building described on Addendum A hereto (the "Base Building Improvements"). To the extent that the Base Building Improvements must be changed or added to in order to accommodate the special needs of Tenant in the Premises, such changes or additions shall be considered Tenant Improvements (as defined below) only to the extent such changes or additions are specifically described in Addendum B hereto.

2.2 Additional Costs Not Tenant Improvement Costs.

(a) In the event that the Building as initially constructed does not comply with current life-fire safety codes, disabled access codes (including, without limitation, the ADA), and/or earthquake safety codes, and Landlord incurs increased design or construction costs that it would not have incurred had the Building been in compliance with such codes, such costs shall not be included in the calculation of Tenant Improvement Costs as defined below and Tenant shall have no financial responsibility for such costs.

(b) Any work that Landlord must undertake to cause the Premises to comply with the access requirements of the ADA (but without regard to Tenant's specific use of the Premises) or make existing building systems, including, but not limited to, electrical service and HVAC equipment, fully operational shall be at Landlord's sole cost and expense. Tenant Improvement Costs shall not include any costs associated with (i) asbestos abatement or compliance with the Hazardous Materials provision of the Lease, including all expenses associated with curing any "Sick Building Syndromes"; (ii) fire sprinkler system installation or upgrade; (iii) conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere; (iv) utility costs incurred during construction; (v) costs incurred in order to cause the Premises to comply with any mechanical or electrical requirements set forth in the Lease; or (vi) supervision or overhead costs of Landlord.

(c) Tenant shall be solely responsible for all costs and expenses necessary to increase permitted structural floor loading in order to accommodate Tenant's libraries, file rooms, unusual live loads and other such uses, though Tenant may utilize the Base Tenant Improvement Allowance or the Additional Tenant Improvement Allowance for its costs incurred in connection therewith.

2.3 Base Building Plans. Landlord has delivered to Tenant "as built" plans and specifications for the Premises acceptable to Tenant.

3. Selection of Architect and Engineer. Landlord shall promptly solicit at least three proposals from qualified licensed architects ("Architect") and engineering services providers familiar with all applicable laws and building requirements detailing a scope of work sufficient to complete the Working Drawings as defined below. The Architect and engineering services providers shall be selected by Landlord subject to Tenant's consent, which consent shall not be unreasonably withheld, and which consent (or refusal to consent for reasonable reasons) shall be granted within three (3) business days after Landlord has submitted the name of the Architect to Tenant together with detailed proposals outlining the cost for design/engineering services. This procedure shall be repeated until the Architect is finally approved by Tenant and written consent has been delivered to and received by Landlord.

4. Selection of Contractor. The Final Plans, as defined below, and a proposed construction contract approved by Tenant, shall be submitted to contractors, selected by Landlord and approved by Tenant, sufficient in number so that a minimum of three bids are received. Each approved contractor shall be requested to submit a sealed fixed price contract bid price (on such contract form as Landlord shall designate) to construct the Tenant Improvements designated on the Final Plans. Landlord and Tenant shall jointly open and review the bids. Landlord and Tenant, after adjustments for inconsistent assumptions, shall select the most qualified bidder offering the lowest price and such contractor ("Contractor") shall enter into a construction contract ("Construction Contract") with Landlord consistent with the terms of the bid to construct the Tenant Improvements.

5. Preparation of Plans and Specifications and Construction Schedule.

5.1 Preparation of Space Plan. Concurrently with the execution of this Lease, Tenant has submitted to Landlord a space plan and specifications for the Premises showing all demising walls, corridors, entrances, exits, doors, interior partitions, and the locations of all offices, conference rooms, computer rooms, mini-service kitchens, and the reception area, library, and file room (collectively the "Space Plan"), which Space Plan is in the form attached hereto as Addendum C.

5.2 Preparation and Approval of Working Drawings. Within three (3) business days following the selection of the Architect (the "Plan Submission Date"), Landlord shall instruct the Architect to commence preparation of Working Drawings (the "Working Drawings"), which shall be a logical evolution of the Space Plan, and compatible with the design, construction and equipment of the Building, comply with all applicable laws, be capable of physical measurement and construction, contain all such information as may be required for the construction of the Tenant Improvements and the preparation of the Engineering Drawings (as defined below), and contain all partition locations, plumbing locations, air conditioning system and duct work, special air conditioning requirements, reflected ceiling plans, office equipment locations, and special security systems. The Working Drawings may be submitted in one or more stages and at one or more times. Landlord shall provide Tenant the Working Drawings, or such portion as has from time to time been submitted, for review. Landlord and Tenant shall be responsible for insuring that the Working Drawings fully comply with all applicable building codes and are free from errors or omissions on the part of the Architect.

5.3 Preparation and Approval of Engineering Drawings. Landlord shall cause the Architect to coordinate all engineering drawings prepared by an engineer selected by Landlord pursuant to Section 3 above (the "Engineer"), showing complete mechanical, electrical, plumbing, and HVAC plans ("Engineering Drawings") to be integrated into the Working Drawings. The

Engineering Drawings may be submitted in one or more stages and at one or more times for Tenant's review.

5.4 Integration of Working Drawings and Engineering Drawings into Final Plans. After Tenant has approved the Engineering Drawings, Landlord shall cause the Architect to integrate the approved Working Drawings with the approved Engineering Drawings (collectively "Final Plans") and deliver five sets of the Final Plans to Tenant. The Final Plans shall be suitable for plan check review and permitting by local agencies having jurisdiction, for the layout, improvement and finish of the Premises consistent with the design and construction of the Base Building Improvements, including electrical and mechanical drawings, capacity reports, dimensioned partition plans, floor and wall finish plans, reflected ceiling plans, power, telephone communications and data plans, life safety devices, construction detail sheets including millwork detail plans showing the location of partitions, light fixtures, electrical outlets, telephone outlets, sprinklers, doors, equipment specifications (including weight specifications and cooling requirements) and power requirements (including voltage, amps, phase, and special plugs and connections), wall finishes, floor coverings, millwork and other Tenant Improvements.

5.5 Schedule. Within thirty (30) days after the Plan Submission Date, Landlord shall submit to Tenant a detailed construction schedule, subject to approval by Tenant which approval shall not be unreasonably withheld, setting forth the dates specific completion of certain project benchmarks including, but not limited to, completion of Working Drawings, completion of Engineering Drawings, submission of plans to local jurisdiction for review, issuance of building permit, submission of plans to contractors for bidding, award of construction contract, construction commencement, construction completion, Projected Commencement Date and other similar dates. As the construction continues, Landlord shall amend the schedule from time to time to reflect any changes to the projected dates.

6. Final Construction Budget and Payment of Tenant Construction Costs.

6.1 Construction Budget. Within fifteen (15) days after the Plan Submission Date, Landlord shall submit to Tenant a preliminary budget (the "Preliminary Budget"). Such budget shall be revised into final form within ten (10) days from the date the Contractor is selected and will be referred to herein as the "Final Construction Budget". Tenant shall have five (5) days from the date of receipt of the Final Construction Budget to approve or disapprove the Final Construction Budget. Construction of the Tenant Improvements shall not begin until such time as Tenant indicates its approval or disapproval of the Final Construction Budget or the five (5) day period expires without any response from Tenant. Landlord and Tenant shall review the Space Plan, Working Drawings, Engineering Drawings and Final Plans at their respective sole cost and expense. No fee for Landlord's profit, overhead or general conditions in connection with the construction of the Tenant Improvements shall be included in the Final Construction Budget unless approved by Tenant.

6.2 Additional Tenant Improvement Allowance. All improvements required by the Working Plans and modular furniture described in the Modular Specifications, as further described in the Final Plans (collectively, the "Tenant Improvements"), shall be at Tenant's sole cost and expense, subject to Tenant's right to utilize the Base Tenant Improvement Allowance and the Additional Tenant Improvement Allowance to pay such costs. Costs of Tenant Improvements shall include, without limitation, construction costs for furniture, telecommunications equipment, soft costs (including without limitation the Architect's and any engineers' fees and costs), and any other costs designated in writing by Tenant not to exceed, in the aggregate, the sum of the Base Tenant Improvement Allowance, the Additional Tenant Improvement Allowance and costs of Change Orders, as defined below (collectively "Tenant Improvement Costs"). Landlord shall be solely

responsible for any delay or increased cost in completing the Tenant Improvements caused by Landlord's or the Contractor's negligence or misconduct (hereafter "Landlord Delay"). It is anticipated that the Tenant Improvement Costs will exceed the Tenant Improvement Allowance, and Tenant's Chief Executive Office may authorize Landlord to pay the overage in an amount not exceeding the Additional Tenant Improvement Allowance. The Additional Tenant Improvement Allowance shall be repaid by Tenant to Landlord as provided herein.

6.3 Method of Payment. That portion of the Additional Tenant Improvement Allowance used to pay for the Tenant Improvement Costs may, at Tenant's election, be paid to Landlord either: (i) in a lump sum when the Tenant Improvements are Substantially Complete, or (ii) in equal amortized monthly payments over a period of five (5) years following the date of Substantial Completion at the Tenant Improvement Amortization Rate. Tenant may at any time during the Term prepay Landlord in a lump sum for all or any portion of the Tenant Improvement Costs, amortizing any remaining amount in monthly payments over the then remaining portion of the repayment period at the Tenant Improvement Amortization Rate. Tenant's monthly installments shall be due and payable concurrently with the monthly Basic Rent, with the first payment due on the first day of the first month following the date the Tenant Improvements are Substantially Complete (but not earlier than the Commencement Date), and any then unpaid portion shall become immediately due and payable in a lump sum in the event of the termination of the Lease for any reason at any time prior for the first five (5) years of the Term.

7. Construction of Tenant Improvements.

7.1 Tenant Improvements. Tenant Improvements to be constructed by Landlord are described more particularly in the Final Plans.

7.2 Bids. Unless waived by Tenant in writing, any major contractors, subcontractors and materials providers providing labor and/or materials for the Tenant Improvements shall be selected only after at least three bids have been solicited from responsible and qualified persons. Landlord shall submit at least three sealed fixed price bids for the construction of the Tenant Improvements to Tenant for its review prior to the award of the Construction Contract. The bids shall be jointly opened and reviewed. The bids shall include an itemized list of all materials and labor and shall include all additional costs, including architects and engineering fees, permits, reasonable contractor's profit and overhead, and project management fees. At least three bids for the purchase and installation of the office furniture system, prepared by the furniture dealer, shall be included in the construction estimates, if applicable.

(a) Permits. Landlord shall secure the approval of governmental authorities, and all permits required by governmental authorities having jurisdiction over such approvals and permits for the Tenant Improvements, promptly after approval of the Final Plans.

(b) Commencement of Construction. Landlord shall commence construction of the Tenant Improvements within fifteen (15) days after issuance of all such necessary permits. Landlord shall commence and, once commenced, shall thereafter diligently proceed to construct and complete all Tenant Improvements, subject to any cessation that may be caused by Force Majeure Delays.

7.3 Construction. Construction of the Tenant Improvements will be subject to the following terms and conditions:

(a) Notice of Nonresponsibility. Landlord and the Contractor shall cooperate with Tenant in posting a notice or notices of nonresponsibility by Tenant.

(b) Compliance with Laws. Construction of the Tenant Improvements shall comply with all applicable laws and regulations and shall be subject to the general inspection of Tenant. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification or type of workman or mechanic needed for the construction of the improvements. Particulars of the current Prevailing Wage Scale as approved by the Board of Supervisors which are applicable to the work are filed with the Clerk of the Board of Supervisors and must be posted in the Premises.

7.4 Conformed Plans. Within sixty (60) days after Substantial Completion of the Tenant Improvements and receipt from the Contractor of all field changes, and as a Tenant Improvement Cost, Landlord shall submit to Tenant a set of conformed plans ("as-builts") incorporating, in accordance with standard industry custom and practice, field changes made and changes and/or revisions that have been made subsequent to the submission of the Final Plans. Such "as-built" or "record documents" shall be submitted on three and one-half inch (3½") 1.4Mb magnetic media diskettes in Auto CAD R 12.dwg (or later version) format or .DXF format, along with one complete set of mylar transparencies of drawings and one complete set of specifications.

8. Change Orders. Tenant and Landlord may make changes, additions, deletions or alterations in the Final Plans ("Change Order") provided both Tenant and Landlord approve such changes in writing. The amount of the Maximum Change Order Allowance set forth in Section 1 has been authorized by the Board of Supervisors of the County to be used to pay the costs of all authorized Change Orders but only the Chief Executive Officer is authorized to approve Change Orders on behalf of Tenant and then only if the aggregate amount of such approved Change Orders does not exceed the Maximum Change Order Allowance. If the cost of the Change Order, when added to the Tenant Improvement Costs, exceeds the total of the Base Tenant Improvement Allowance and the Additional Tenant Improvement Allowance, then Tenant shall pay such excess to Landlord in a lump sum prior to the commencement of the Change Order-related work. Landlord shall submit to the Chief Executive Officer with each requested Change Order (i) the specific cost of the requested change, (ii) the cumulative net total cost of all Change Orders previously approved, and (iii) an estimate of the construction time which will be increased or shortened if the Change Order is approved. Each Change Order must be signed and dated by the Chief Executive Officer.

9. Furniture System.

9.1 Tenant shall deliver to Landlord within ten (10) days after execution hereof, modular furniture plans and specifications (the "Modular Specifications"). Based on the Modular Specifications, Landlord and /or Landlord's Architect shall prepare a modular furniture specifications bid package for submission to no less than three furniture vendors. Prior to submission for bids, Landlord shall review the bid package with Tenant and Tenant shall have the right to approve or disapprove the bid package. Tenant shall bear the cost of the modular furniture set forth in the Modular Specifications, subject to Tenant's right to utilize the Base Tenant Improvement Allowance and the Additional Tenant Improvement Allowance to pay such costs.

9.2 Tenant may opt to finance the lump-sum payment for the cost of modular furniture through lease-purchase financing with a third-party vendor ("Creditor"). In the event the Tenant

elects to enter into a lease-purchase financing of the furniture and telecommunications equipment (the "Personal Property") through a Creditor, Landlord expressly agrees as follows:

(a) The Personal Property shall not become part of the realty or real property, but shall remain personal property removable by the Creditor and its assigns, provided that any damage occasioned by such removal shall be repaired by Creditor.

(b) Landlord shall be notified by Creditor of any plan by Creditor to remove the Personal Property.

(c) This section shall be binding on the representatives, successors and assigns of all parties hereto and shall inure to the benefit of the successors-in-interest to all parties hereto.

(d) Landlord does hereby waive any right to gain possession of any of Personal Property during the term of this Lease.

10. **Tenant Improvement Costs Adjustment and Right to Audit.** Within thirty (30) days of a final sign-off by the City of Irwindale, Landlord shall provide to Tenant a statement showing in reasonable detail all Tenant Improvement Costs and the total amount payable hereunder by Tenant to Landlord. Upon approval of the statement by Tenant, payments by either party pursuant to the Lease and this Landlord's Work Letter shall be adjusted as appropriate, based upon such statement. Tenant shall have the right to audit these costs for a period of six (6) months from the date of acceptance by Tenant of the Premises. In the event the audit shows that Tenant is entitled to a reduction in payments to the Landlord under this Landlord's Work Letter, Tenant shall provide Landlord with a copy of the audit summary and Landlord, within thirty (30) days, shall refund to Tenant the amount of any overpayment made by Tenant and all future payments shall be adjusted as appropriate based upon the audit results.

11. **Exclusions.** The Tenant Improvement Costs shall not include any costs incurred for asbestos abatement, fire sprinkler system work outside of the Premises, or conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere; provided, however, that included in Tenant Improvement Costs shall be the costs of any relocation of fire sprinkler heads and modifications to the fire sprinkler system necessitated by the Final Plans. All work for required asbestos abatement or air conditioning system conversion shall be performed at the sole cost and expense of Landlord.

12. **Telephone/Computer Room and Equipment.** If included as part of the Final Plans, Landlord shall complete the telephone equipment room(s) including permanent power and HVAC, in compliance with the Final Plans, on or before the date of Substantial Completion of the Premises.

13. **Delay.** If the Premises are not Substantially Complete due to Landlord Delays within 150 days from the Projected Commencement Date, as such date is extended due to Tenant Delays or Force Majeure Delays as provided in Landlord's Work Letter, which has been executed concurrently herewith, Tenant may thereafter, at any time before the Premises are Substantially Complete, terminate this Lease effective upon the giving of written notice to Landlord and the parties shall have no further obligations to one another hereunder.

(b). Tenant may bill Landlord for its costs to perform the Tenant Improvements, up to a maximum of \$54,090, less costs expended by Landlord pursuant to this Work Letter to perform Tenant Improvement work (including but not limited to architectural, engineering and permit fees).

16. **Representatives.**

16.1 **Tenant Representative.** Tenant has designated Tenant's Work Letter Representative as its sole representative with respect to the matters set forth in this Landlord's Work Letter who, until further notice to Landlord, shall have the full authority and responsibility to act on behalf of Tenant as required in this Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Tenant's Address for Work Letter Notice as set forth in Section 1.

16.2 **Landlord Representative.** Landlord has designated Landlord's Work Letter Representative as its sole representative with respect to the matters set forth in this Work Letter who, until further notice to Tenant, shall have the full authority and responsibility to act on behalf of Landlord as required in this Landlord's Work Letter and whose address, for purposes of any notices to be given regarding matters pertaining to this Landlord's Work Letter only, is Landlord's Address for Work Letter Notice as set forth in Section 1.

17. **Elevator Usage During Move-In.** Tenant shall have reasonable usage of the passenger elevators in the elevator bank that services the Building in order to assist Tenant in the installation of Tenant's fixtures, furniture and equipment.

18. **Construction Meetings.** During the course of construction, meetings shall be held between the Contractor, Landlord and Tenant at least once per week, unless Tenant directs otherwise, at a time and place which is mutually convenient. An initial construction meeting shall be held within five (5) days of the date the Contractor is selected.

19. **Delivery.** Delivery of all plans and drawings referred to in this Work Letter shall be by commercial messenger service or personal hand delivery, unless otherwise agreed by Landlord and Tenant.

LANDLORD:

THRIFTY OIL CO.

By: 

Name: Barry W. Berkett

Title: Executive Vice President

Date Signed: _____

By: 

Name: Moshe J. Sassover

Title: Senior Vice President

Date Signed: _____

TENANT:

COUNTY OF LOS ANGELES,
a body politic and corporate

By: 

Name: Chris M. Montana

Title: Director of Real Estate

Date Signed: 11/30/15

ADDENDUM A To Landlord's Work Letter

BASE BUILDING IMPROVEMENTS

The Building is in existence and Tenant has been advised by Landlord to inspect the Building and its systems and the Property to determine their adequacy for Tenant's purposes prior to Tenant's execution of this Lease.

ADDENDUM B To Landlord's Work Letter

TENANT IMPROVEMENTS

The Tenant Improvements shall consist of those items shown on the Final Plans, to include (to the extent shown in the Final Plans):

- (a) Tenant ceilings and lighting within the Premises;
- (b) Floor finish in the Premises (except elevator lobbies and public corridors on multi-tenant floors and toilet rooms);
- (c) Interior finishes (i.e., carpet, paint, wall coverings, wood finishes) within the Premises (except elevator lobbies and public corridors on multi-tenant floors and core area toilet rooms);
- (d) Interior partitions, doors and hardware within the Premises;
- (e) Terminal boxes and reheat coils or other HVAC or air distribution devices to or within the Premises;
- (f) As applicable, Tenant's furniture, fixtures and equipment, including telephones, computers and cabling therefor within the Premises;
- (g) Distribution of electrical services, plumbing services and sprinklers within the Premises, and domestic hot water heater and associated hot water piping;
- (h) Any and all signs for Tenant and the electricity distribution therefor;
- (i) Security, fire and life-safety systems throughout the Premises, including exit signs, intercoms and extinguishers;
- (j) Standard electrical capacity; and
- (k) Fiber optic access, provided the carrier has the capability to provide to the Premises.

ADDENDUM C To Landlord's Work Letter
TENANT'S SPACE PLAN

[One Page to Follow >>>]

EXHIBIT "C"

